

**R. J. REYNOLDS TOBACCO COMPANY
NON-SELF-SERVICE PACK OUTLET MERCHANDISING PROGRAM BASE CONTRACT**

R. J. Reynolds Tobacco Company ("RJR") is pleased to announce a Cigarette Merchandising Program effective January 1, 1994, for retail accounts that display all cigarettes in a non-self-service position that meet the following criteria:

- 51% or more total industry volume sold by the pack
- 76+ cartons sold per week
- Distribution of all RJR brands in all price tiers as required.

Retailers not meeting the above requirements should discuss alternatives with an RJR Representative.

PROGRAM ELEMENTS:

- RJR Full Price pack display in prime position.
- RJR Savings Brand pack display(s) and auxiliary price signage no less than equal position to other Savings Brand displays and signs.
- RJR designated enhanced presence/signage.

PAYMENT AS FOLLOWS:

COMPONENTS	MONTHLY PAYMENT CALCULATION				
	A	B	C	D	E
Full Price Display/Savings Display(s)/Signage	76 - 99	100 - 149	150 - 199	200 - 249	250+
BASE PARTICIPATION	\$38	\$55	\$70	\$80	\$90

- Base Participation is achieved when all components are accepted and maintained by Retailer.

Cigarette volume will be determined by the average total weekly sales of industry brands during the most recent three-month period.

COMPONENT REQUIREMENTS:

FULL PRICE DISPLAY

- Full Price Display must be located in primary position as determined by an RJR Representative.

SAVINGS DISPLAY

- Selected display(s) must be adequate in size to display and promote ALL RJR Savings Brands. Savings display(s) selected must merchandise no less than 24 pack facings of product.
- Multiple displays/locations may be used to adequately merchandise RJR Savings Brands, as approved by an RJR Representative.
- Auxiliary RJR Savings Brand price signage.

DESIGNATED ENHANCED SIGNAGE

- Enhanced signage in equal position and size to other tobacco companies on location as approved by an RJR Representative.

SPECIFIC REQUIREMENTS:

- All cigarettes displayed remain in non-self-service position.
- Retailer agrees to provide RJR accurate and current velocity information, to include total RJR volume per week, and total industry volume per week.
- Display size will be determined by an RJR Representative.
- Advertising associated with RJR brands displayed will be affixed to, or above each display, as approved by an RJR Representative.
- Retailer will not permit advertising of any kind, including that relating to retailer's own products, to be affixed to RJR displays.
- Retailer agrees to maintain adequate display of designated cigarette brands on display at all times.
- Retailer agrees to maintain RJR displays and signage in an unobstructed manner, in the location agreed upon by RJR Representative. Changes in location of displays, or effectiveness of display location will terminate this agreement.
- Retailer will provide RJR equal opportunity with its competitors, to place temporary displays and temporary price/promotion signage as requested by an RJR Representative.
- Retailer further agrees that restricting RJR's ability to display, promote or distribute RJR brands, or the ability to compete equally with other tobacco companies in all areas at retail, will result in termination of this contract.
- Retailer will permit RJR to make reasonable audits of performance and to inspect and rotate RJR products.
- RJR reserves the right to modify or terminate this contract after notice to retailer. In the event of failure of performance by the retailer, this contract may be terminated by RJR forthwith and without notice.

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R. J. REYNOLDS TOBACCO COMPANY
NON-SELF-SERVICE PACK OUTLET MERCHANDISING PROGRAM BASE CONTRACT

R. J. Reynolds Tobacco Company will make payments by check as soon as practicable. Payments will be made for stores rendering full performance during a quarter, and on a pro rata basis for stores rendering performance for less than one full quarter but more than one calendar month. Retailer will not deduct amounts due under contract from invoices due RJR. However, R. J. Reynolds Tobacco Company may withhold payment from the retailer if the retailer fails to provide R. J. Reynolds Tobacco Company with sufficient correct information to issue a Form 1099 to the retailer for any taxable year covered by this agreement. In the case of an individual proprietorship, this sufficient correct information is his individual name and either his social security number or employer identification number for his sole proprietorship. In addition to the retailer's individual name, he may also provide his business name for the sole proprietorship, provided his individual name is listed before the business name. He may not furnish only the business name. With respect to partnerships, estates, trusts and similar entities, this information is the entity's or retailer's employer identification number as it appears on the partnership's Form 8501 (I.R.S. Form number). As soon as the applicable information is provided to and processed by R. J. Reynolds Tobacco Company, it will release any such withheld payments to the retailer. This portion of the provision does not apply if the retailer is a corporation.

This offer is extended pursuant to R. J. Reynolds Tobacco Company's general display plan, that in the judgment of the Company, is made available on proportionately equal terms to all competing retailers.

We/I the undersigned and R. J. Reynolds Tobacco Company, by signing below, thereby agree, for the type plan and stores designated below, to the terms and conditions of the R. J. Reynolds Tobacco Company Non-Self-Service Pack Outlet Merchandising Program Base Contract, dated January 1, 1994.

Is your organization a corporation, government agency, or tax exempt? YES NO
If no, enter your name as shown on your Social Security Card and TIN in the applicable space provided below:

Individual Name: _____
Individual Proprietorship: _____
(Social Security Number) _____ or Partnership: _____
(Employer ID Number) _____

Store Name (Please Print) _____ RJR Account No. _____

Street Address _____ RJR Territory No. _____

City/State _____ Zip Code _____

Call Classification _____ Branch (If Chain) _____

CIRCLE CORRECT PLAN UNDER APPROPRIATE INDUSTRY WEEKLY VOLUME CATEGORY

COMPONENTS	MONTHLY PAYMENT CALCULATION				
	A 76 - 99	B 100 - 149	C 150 - 199	D 200 - 249	E 250+
Full Price Display/Savings Display(s)/Signage	\$38	\$55	\$70	\$80	\$90

Designated Enhanced Presence/Signage _____

Type	Plan	Number of Qualifying Stores	Total Quarterly Dollar Amount
NSSBASE	_____	_____	\$_____
NSSBASE	_____	_____	\$_____
NSSBASE	_____	_____	\$_____
			TOTAL \$_____

Date Contract Signed _____ Retailer's Signature _____

Title: _____

Contract Effective Date _____ R. J. REYNOLDS TOBACCO COMPANY
By: _____

FUNCTION	CONTRACT TYPE	PLAN	UNITS	EFFECTIVE
Function	_____	_____	_____	_____
A = ADD	_____	_____	_____	_____
E = END	_____	_____	_____	_____
D = DELETE	_____	_____	_____	_____
C = CHANGE	_____	_____	_____	_____

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